



COUNTY FUNDED NON-MEDICAID MENTAL HEALTH AND DISABILITY SERVICES

January 31, 2013

The following summarizes the Department of Human Services' (Department) estimates of county funded non-Medicaid mental health and disability services (MHDS). The Department arrived at these estimates using information gathered from county central point of coordination administrators, the Department of Management, and the Department's own records. Except for counties that applied for Transition Funds, these estimates have not been independently verified or re-confirmed with the counties.

Effect on Counties of the Medicaid Lift

What was the effect on the counties of lifting the non-federal share of Medicaid from the counties? (Appendix 1)

Estimated Effect of the "Medicaid Lift" on Counties Based on SFY12 Amounts		
Counties:	Number	Amount
Benefiting from the Medicaid Lift ¹	86	\$48.4 M
Not Benefiting from the Medicaid Lift	13	(\$7.5 M)

Transition Fund Need

Will counties that did not apply for Transition Funds need them in SFY13? (Appendix 2)

Using the available data, the Department could not identify any county that might possibly need Transition Funds in SFY13 that did not apply. However, many counties will end SFY13 with fund balances that are too low to pay non-Medicaid costs for the first three months of SFY14.

Transition Fund Used for State Bills

How much would remain in unpaid state bills (non-federal share of Medicaid and state resource centers) if Transition Funds are appropriated to be used to pay state bills? (Appendix 2)

Transition Fund Impact on State Bills		
	Scenario 1	Scenario 2
Number of Counties	26	12
Amount of Transition Fund	\$11.6 M	\$3.8 M
Amount of State Bills that Remain	\$0	\$8.6 M

The Department does not have direct authority to require counties to pay their state bills. State bills are also owed by counties that did not apply for Transition Funds or that applied for Transition Funds, but were not identified with a SFY13 deficit in Scenario 1 or 2.

¹ All 18 County Social Service counties are grouped together in all examples.

Non-Medicaid Costs

What is the Department's estimate of the amount counties spent for non-Medicaid costs? (Appendix 2)

\$125.2 M is estimated to be spent in SFY13 for non-Medicaid costs. The Department gathered estimated SFY13 non-Medicaid costs from counties that applied for Transition Funds. The Department used the same approach with the remaining counties using available information.

Sustaining Non-Medicaid Costs at Current Levels

How much revenue does the Department estimate the counties have available to sustain non-Medicaid costs at SFY13 estimated levels assuming state bills are paid using other funds and fund balances are not used for on-going expenses?

Situation One for SFY13 and SFY14 (Appendix 3)

Revenue available for SFY13 Estimated County Non-Medicaid Costs Assuming <u>SFY13 County Levy</u> ² and Estimated Revenue from the State Payment Program <u>without Equalization</u> with No Growth		
Counties:	Number	Amount Revenue
Having Sufficient Revenue	77	\$23.6 M
Counties Insufficient Revenue	22	(\$11.5 M)

Situation Two for SFY14 (Appendix 4)

Revenue available for SFY13 Estimated County Non-Medicaid Spending Assuming <u>Equalization</u> and Estimated Revenue from the State Payment Program with No Growth		
Counties:	Number	Amount Revenue
Having Sufficient Revenue	79	\$37.4 M
Counties Insufficient Revenue	20	(\$3 M)

Estimated Cash Flow

How much does the Department estimate the counties exceed or are short of covering 25% (three months) cash flow for SFY13 non-Medicaid cost levels before they receive county levy revenues?

Appendix 5

Estimated County Cash Flow for <u>SFY14 Assuming SFY13² Levy</u>		
Counties:	Number	Amount
Meets or Exceeds Cash Flow Needs	49	\$13.3 M
Short of Meeting Cash Flow	50	(\$18 M)

Appendix 5

Estimated County Cash Flow for <u>SFY15 Assuming SFY13² Levy</u>		
Counties:	Number	Amount
Meets or Exceeds Cash Flow Needs	74	\$18 M
Short of Meeting Cash Flow	25	(\$13.3 M)

Appendix 6

Estimated County Cash Flow for <u>SFY14 Assuming Equalization</u>		
Counties:	Number	Amount
Meets or Exceeds Cash Flow Needs	81	\$27 M
Short of Meeting Cash Flow	18	(\$4.3 M)

² SFY13 levy is not at maximum for all counties